

AMENDED IN ASSEMBLY MAY 4, 2010  
AMENDED IN ASSEMBLY APRIL 15, 2010  
AMENDED IN ASSEMBLY APRIL 6, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1766**

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**Introduced by Assembly Member ~~Members~~ *Gaines and Logue***

February 9, 2010

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An act to ~~amend Section 8686 of the Government Code, and to amend~~ Sections 218, 17207, and 24347.5 of, and to add Sections 195.161, 195.162, and 195.163 to, the Revenue and Taxation Code, relating to disaster assistance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1766, as amended, Gaines. Disaster assistance: 49 Fire: County of Placer.

~~(1) Under the California Disaster Assistance Act, the state share for any eligible project costs is limited to no more than 75% of total state eligible costs, except for certain occurrences for which the state share may be up to 100% of the total state eligible costs.~~

~~This bill would include as an occurrence for which the state share may be 100% of the total state eligible costs the fire that began in late August 2009 in the County of Placer, known generally as the 49 Fire.~~

~~(2)~~

~~(1) Existing law authorizes a county board of supervisors to provide by ordinance for the reassessment of property that is damaged or destroyed, without fault on the part of the assessee, by a major misfortune or calamity, upon the application of the assessee or upon~~

the action of the county assessor with the board's approval. With respect to certain counties that have adopted reassessment ordinances and have been declared by the Governor to be in a state of emergency as a result of certain events, existing law provides for state allocations of the estimated amounts of the reductions in property tax revenues resulting in certain fiscal years from reassessments under those ordinances. Existing law also continuously appropriates, without regard to fiscal years, moneys in the Special Fund for Economic Uncertainties for purposes of funding these state allocations.

This bill would provide for similar state allocations with respect to property tax revenue reductions resulting from a reassessment for damages incurred within the County of Placer, which was declared by the Governor to be in a state of emergency due to the wildfires that commenced in August 2009.

By requiring moneys continuously appropriated from the Special Fund for Economic Uncertainties to be allocated for the new purpose of reimbursing these counties for these property tax revenue reductions, this bill would make an appropriation.

(3)

(2) Existing property tax law provides, pursuant to a specified provision of the California Constitution, for a homeowners' property tax exemption in the amount of \$7,000 of the full value of a "dwelling," as defined.

This bill would also provide that any dwelling that qualified for the exemption prior to August 30, 2009, that was damaged or destroyed by the wildfires in the County of Placer, as declared by the Governor in August 2009, and that has not changed ownership since August 30, 2009, may not be denied the exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to wildfires.

*(3) The Personal Income Tax Law and the Corporation Tax Law provide for the carryover to specified taxable years of specified losses sustained as a result of certain disasters occurring in California in an area determined by the President of the United States to warrant specified federal assistance, or proclaimed by the Governor to be in a state of emergency.*

*This bill would extend these provisions to losses sustained in the County of Placer as a result of the wildfires that commenced in August*

2009. This bill would authorize a taxpayer to make an election to claim a deduction for those losses on the tax return for the preceding year.

The

(4) The California Constitution requires the Legislature, in each fiscal year, to reimburse local governments for the revenue losses incurred by those governments in that fiscal year as a result of the homeowners' property tax exemption.

This bill would state the intent of the Legislature to make this required reimbursement in the annual Budget Act. By requiring local tax officials to implement new exemption criteria, this bill would impose a state-mandated local program.

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(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

~~(4) The Personal Income Tax Law and the Corporation Tax Law provide for the carryover to specified taxable years of specified losses sustained as a result of certain disasters occurring in California in an area determined by the President of the United States to warrant specified federal assistance, or proclaimed by the Governor to be in a state of emergency.~~

~~This bill would extend these provisions to losses sustained in the County of Placer as a result of the wildfires that commenced in August 2009. This bill would authorize a taxpayer to make an election to claim a deduction for those losses on the tax return for the preceding year.~~

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(6) This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     SECTION 1. ~~Section 8686 of the Government Code is amended~~  
2     to read:

1     8686. (a) For any eligible project, the state share shall amount  
2 to no more than 75 percent of total state eligible costs.

3     (b) Notwithstanding subdivision (a), the state share shall be up  
4 to 100 percent of total state eligible costs connected with the  
5 following events:

6     (1) The October 17, 1989, Loma Prieta earthquake.

7     (2) The October 20, 1991, East Bay fire.

8     (3) The fires that occurred in southern California from October  
9 1, 1993, to November 30, 1993, inclusive.

10    (4) The January 17, 1994, Northridge earthquake.

11    (5) Storms that occurred in California during the periods  
12 commencing January 3, 1995, and February 13, 1995, as specified  
13 in agreements between this state and the United States for federal  
14 financial assistance.

15    (6) The storms that occurred in California in December of 1996  
16 and early January of 1997, as specified in agreements between this  
17 state and the United States for federal financial assistance.

18    (7) The winter storms and flooding that occurred from February  
19 1, 1998, to April 30, 1998, inclusive, as specified in agreements  
20 between this state and the United States for federal financial  
21 assistance.

22    (8) The wildfires that occurred in southern California  
23 commencing October 21, 2003, as specified in agreements between  
24 this state and the United States for federal financial assistance.

25    (9) The December 22, 2003, San Simeon earthquake, as  
26 specified in agreements between this state and the United States  
27 for federal financial assistance.

28    (10) The severe storms, flooding, debris flows, and mudslides  
29 that occurred during December 27, 2004, to January 11, 2005,  
30 inclusive, in southern California, as specified in agreements  
31 between this state and the United States for federal financial  
32 assistance.

33    (11) The severe storms, flooding, landslides, and mud and debris  
34 flows that occurred in southern California during the period from  
35 February 16 to February 23, 2005, inclusive, as specified in  
36 agreements between this state and the United States for federal  
37 financial assistance.

38    (12) The severe storms, flooding, mudslides, and landslides that  
39 occurred in northern California during the period from December  
40 17, 2005, to January 3, 2006, inclusive, as specified in agreements

~~between this state and the United States for federal financial assistance.~~

~~(13) The severe storms and flooding that occurred in northern and central California during the period from March 29, 2006, to April 16, 2006, inclusive, as specified in agreements between this state and the United States for federal financial assistance.~~

~~(14) The fire that began in late August 2009 in Placer County, known generally as the 49 Fire.~~

~~(e) For any federally declared disaster subsequent to January 1, 1995, that the Legislature has designated in subdivision (b), the state shall assume the increased share specified in subdivision (b) in those cases where the Federal Emergency Management Agency or another applicable federal agency has approved the federal share of costs.~~

~~(d) The state shall make no allocation for any project application resulting in a state share of less than two thousand five hundred dollars (\$2,500) under this section.~~

~~SEC. 2.~~

*SECTION 1.* Section 195.161 is added to the Revenue and Taxation Code, to read:

195.161. (a) By October 30, 2010, the auditor of the County of Placer, which was the subject of the Governor's proclamation of a state of emergency for wildfires that commenced on August 30, 2009, shall certify to the Director of Finance an estimate of the total amount of the reduction in property tax revenues on both the regular secured roll and the supplemental roll for the 2009–10 fiscal year resulting from the reassessment by the county assessor pursuant to paragraph (1) of subdivision (a) of Section 170 of those properties that are eligible properties as a result of those disasters, except that the amount certified shall not include any estimated property tax revenue reductions to school districts, other than basic state aid school districts, and county offices of education.

(b) For purposes of this section, "basic state aid school district" means any school district that does not receive a state apportionment pursuant to subdivision (h) of Section 42238 of the Education Code, but receives from the state only a basic apportionment pursuant to Section 6 of Article IX of the California Constitution.

1     ~~SEC. 3.~~

2     *SEC. 2.* Section 195.162 is added to the Revenue and Taxation  
3 Code, to read:

4     195.162. After the county auditor of the eligible county, as  
5 described in Section 195.161, has made the applicable certification  
6 to the Director of Finance pursuant to that section, the director  
7 shall, within 30 days after verification of the county auditor's  
8 estimate, certify this amount to the Controller for allocation to the  
9 county. Upon receipt of certification from the Director of Finance,  
10 the Controller shall make the appropriate allocation to the county  
11 within 10 working days.

12     ~~SEC. 4.~~

13     *SEC. 3.* Section 195.163 is added to the Revenue and Taxation  
14 Code, to read:

15     195.163. (a) On or before June 30, 2011, an eligible county,  
16 as described in Section 195.161, shall compute and remit to the  
17 Controller for deposit in the General Fund an amount equal to the  
18 amount allocated to it by the Controller pursuant to Section  
19 195.162, less the actual amount of its property tax revenue lost on  
20 the regular secured and supplemental rolls with respect to those  
21 eligible properties described in Section 195.161 as a result of the  
22 reassessment of those properties pursuant to paragraph (1) of  
23 subdivision (a) of Section 170, excluding any property tax revenue  
24 lost by school districts, other than basic state aid school districts,  
25 and county offices of education. If the actual amount of property  
26 tax revenue lost by an eligible county in the immediately preceding  
27 fiscal year, as described and limited in the preceding sentence,  
28 exceeds the amount allocated by the Controller to that county  
29 pursuant to Section 195.162, the Controller shall allocate the  
30 amount of that excess to that eligible county.

31     (b) For purposes of this section, "basic state aid school district"  
32 means any school district that does not receive a state  
33 apportionment pursuant to subdivision (h) of Section 42238 of the  
34 Education Code, but receives from the state only a basic  
35 apportionment pursuant to Section 6 of Article IX of the California  
36 Constitution.

37     ~~SEC. 5.~~

38     *SEC. 4.* Section 218 of the Revenue and Taxation Code is  
39 amended to read:

1 218. (a) The homeowners' property tax exemption is in the  
2 amount of the assessed value of the dwelling specified in this  
3 section, as authorized by subdivision (k) of Section 3 of Article  
4 XIII of the California Constitution. That exemption shall be in the  
5 amount of seven thousand dollars (\$7,000) of the full value of the  
6 dwelling.

7 (b) The exemption does not extend to property that is rented,  
8 vacant, under construction on the lien date, or that is a vacation or  
9 secondary home of the owner or owners, nor does it apply to  
10 property on which an owner receives the veteran's exemption.

11 (c) For purposes of this section, all of the following apply:

12 (1) "Owner" includes a person purchasing the dwelling under  
13 a contract of sale or who holds shares or membership in a  
14 cooperative housing corporation, which holding is a requisite to  
15 the exclusive right of occupancy of a dwelling.

16 (2) (A) "Dwelling" means a building, structure, or other shelter  
17 constituting a place of abode, whether real property or personal  
18 property, and any land on which it may be situated. A two-dwelling  
19 unit shall be considered as two separate single-family dwellings.

20 (B) "Dwelling" includes the following:

21 (i) A single-family dwelling occupied by an owner thereof as  
22 his or her principal place of residence on the lien date.

23 (ii) A multiple-dwelling unit occupied by an owner thereof on  
24 the lien date as his or her principal place of residence.

25 (iii) A condominium occupied by an owner thereof as his or her  
26 principal place of residence on the lien date.

27 (iv) Premises occupied by the owner of shares or a membership  
28 interest in a cooperative housing corporation, as defined in  
29 subdivision (i) of Section 61, as his or her principal place of  
30 residence on the lien date. Each exemption allowed pursuant to  
31 this subdivision shall be deducted from the total assessed valuation  
32 of the cooperative housing corporation. The exemption shall be  
33 taken into account in apportioning property taxes among owners  
34 of share or membership interests in the cooperative housing  
35 corporations so as to benefit those owners who qualify for the  
36 exemption.

37 (d) Any dwelling that qualified for an exemption under this  
38 section prior to October 20, 1991, that was damaged or destroyed  
39 by fire in a disaster, as declared by the Governor, occurring on or  
40 after October 20, 1991, and before November 1, 1991, and that

1 has not changed ownership since October 20, 1991, shall not be  
2 disqualified as a “dwelling” or be denied an exemption under this  
3 section solely on the basis that the dwelling was temporarily  
4 damaged or destroyed or was being reconstructed by the owner.

5 (e) Any dwelling that qualified for an exemption under this  
6 section prior to October 15, 2003, that was damaged or destroyed  
7 by fire or earthquake in a disaster, as declared by the Governor,  
8 during October, November, or December 2003, and that has not  
9 changed ownership since October 15, 2003, shall not be  
10 disqualified as a “dwelling” or be denied an exemption under this  
11 section solely on the basis that the dwelling was temporarily  
12 damaged or destroyed or was being reconstructed by the owner.

13 (f) Any dwelling that qualified for an exemption under this  
14 section prior to June 3, 2004, that was damaged or destroyed by  
15 flood in a disaster, as declared by the Governor, during June 2004,  
16 and that has not changed ownership since June 3, 2004, shall not  
17 be disqualified as a “dwelling” or be denied an exemption under  
18 this section solely on the basis that the dwelling was temporarily  
19 damaged or destroyed or was being reconstructed by the owner.

20 (g) Any dwelling that qualified for an exemption under this  
21 section prior to August 11, 2004, that was damaged or destroyed  
22 by the wildfires and any other related casualty that occurred in  
23 Shasta County in a disaster, as declared by the Governor, during  
24 August 2004, and that has not changed ownership since August  
25 11, 2004, shall not be disqualified as a “dwelling” or be denied an  
26 exemption under this section solely on the basis that the dwelling  
27 was temporarily damaged or destroyed or was being reconstructed  
28 by the owner.

29 (h) Any dwelling that qualified for an exemption under this  
30 section prior to December 28, 2004, that was damaged or destroyed  
31 by severe rainstorms, floods, mudslides, or the accumulation of  
32 debris in a disaster, as declared by the Governor, during December  
33 2004, January 2005, February 2005, March 2005, or June 2005,  
34 and that has not changed ownership since December 28, 2004,  
35 shall not be disqualified as a “dwelling” or be denied an exemption  
36 under this section solely on the basis that the dwelling was  
37 temporarily damaged or destroyed or was being reconstructed by  
38 the owner, or was temporarily uninhabited as a result of restricted  
39 access to the property due to floods, mudslides, the accumulation  
40 of debris, or washed-out or damaged roads.



1 (i) Any dwelling that qualified for an exemption under this  
2 section prior to December 19, 2005, that was damaged or destroyed  
3 by severe rainstorms, floods, mudslides, or the accumulation of  
4 debris in a disaster, as declared by the Governor in January 2006,  
5 April 2006, May 2006, or June 2006, and that has not changed  
6 ownership since December 19, 2005, shall not be disqualified as  
7 a “dwelling” or be denied an exemption under this section solely  
8 on the basis that the dwelling was temporarily damaged or  
9 destroyed or was being reconstructed by the owner, or was  
10 temporarily uninhabited as a result of restricted access to the  
11 property due to floods, mudslides, the accumulation of debris, or  
12 washed-out or damaged roads.

13 (j) Any dwelling that qualified for an exemption under this  
14 section prior to July 9, 2006, that was damaged or destroyed by  
15 the wildfires and any other related casualty that occurred in the  
16 County of San Bernardino, as declared by the Governor in July  
17 2006, and that has not changed ownership since July 9, 2006, shall  
18 not be disqualified as a “dwelling” or be denied an exemption  
19 under this section solely on the basis that the dwelling was  
20 temporarily damaged or destroyed or was being reconstructed by  
21 the owner, or was temporarily uninhabited as a result of restricted  
22 access to the property due to the wildfires.

23 (k) Any dwelling that qualified for an exemption under this  
24 section prior to the commencement dates of the wildfires listed in  
25 the Governor’s proclamations of 2006 that was damaged or  
26 destroyed by the wildfires and any other related casualty that  
27 occurred in the Counties of Riverside and Ventura, and that has  
28 not changed ownership since the commencement dates of these  
29 disasters as listed in the Governor’s proclamations of 2006 shall  
30 not be disqualified as a “dwelling” or be denied an exemption  
31 under this section solely on the basis that the dwelling was  
32 temporarily damaged or destroyed or was being reconstructed by  
33 the owner, or was temporarily uninhabited as a result of restricted  
34 access to the property due to the wildfires.

35 (l) Any dwelling that qualified for an exemption under this  
36 section prior to January 11, 2007, that was damaged or destroyed  
37 by severe freezing conditions, commencing January 11, 2007, and  
38 any other related casualty that occurred in the Counties of El  
39 Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey,  
40 Riverside, San Bernardino, San Diego, San Luis Obispo, Santa

1 Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba as a  
2 result of a disaster as declared by the Governor, and that has not  
3 changed ownership since January 11, 2007, shall not be disqualified  
4 as a “dwelling” or be denied an exemption under this section solely  
5 on the basis that the dwelling was temporarily damaged or  
6 destroyed or was being reconstructed by the owner, or was  
7 temporarily uninhabited as a result of restricted access to the  
8 property due to severe freezing conditions.

9 (m) Any dwelling that qualified for an exemption under this  
10 section prior to June 24, 2007, that was damaged or destroyed by  
11 the wildfires and any other related casualty that occurred as a result  
12 of this disaster in the County of El Dorado, as declared by the  
13 Governor in June 2007, and that has not changed ownership since  
14 June 24, 2007, shall not be disqualified as a “dwelling” or be denied  
15 an exemption under this section solely on the basis that the  
16 dwelling was temporarily damaged or destroyed or was being  
17 reconstructed by the owner, or was temporarily uninhabited as a  
18 result of restricted access to the property due to the wildfires.

19 (n) Any dwelling that qualified for an exemption under this  
20 section prior to July 4, 2007, that was damaged or destroyed by  
21 the Zaca Fire and any other related casualty that occurred as a  
22 result of this disaster in the Counties of Santa Barbara and Ventura,  
23 as declared by the Governor in August 2007, and that has not  
24 changed ownership since July 4, 2007, may not be denied an  
25 exemption solely on the basis that the dwelling was temporarily  
26 damaged or destroyed or was being reconstructed by the owner,  
27 or was temporarily uninhabited as a result of restricted access to  
28 the property due to the Zaca Fire.

29 (o) Any dwelling that qualified for an exemption under this  
30 section prior to July 6, 2007, that was damaged or destroyed by  
31 the wildfires and any other related casualty that occurred as a result  
32 of this disaster in the County of Inyo, as declared by the Governor  
33 in July 2007, and that has not changed ownership since July 6,  
34 2007, may not be denied an exemption solely on the basis that the  
35 dwelling was temporarily damaged or destroyed or was being  
36 reconstructed by the owner, or was temporarily uninhabited as a  
37 result of restricted access to the property due to the wildfires.

38 (p) Any dwelling that qualified for an exemption under this  
39 section prior to the commencement dates of the wildfires listed in  
40 the Governor’s disaster proclamations of September 15, 2007, and

1 October 21, 2007, that was damaged or destroyed by the wildfires  
2 and any other related casualty that occurred in the Counties of Los  
3 Angeles, Orange, Riverside, San Bernardino, San Diego, Santa  
4 Barbara, and Ventura, and that has not changed ownership since  
5 the commencement dates of these disasters as listed in the  
6 proclamations shall not be disqualified as a “dwelling” or be denied  
7 an exemption under this section solely on the basis that the  
8 dwelling was temporarily damaged or destroyed or was being  
9 reconstructed by the owner, or was temporarily uninhabited as a  
10 result of restricted access to the property due to the wildfires.

11 (q) Any dwelling that qualified for an exemption under this  
12 section prior to October 20, 2007, that was damaged or destroyed  
13 by the extremely strong and damaging winds and any other related  
14 casualty that occurred as a result of this disaster in the County of  
15 Riverside, as declared by the Governor in November 2007, and  
16 that has not changed ownership since October 20, 2007, shall not  
17 be disqualified as a “dwelling” or be denied an exemption under  
18 this section solely on the basis that the dwelling was temporarily  
19 damaged or destroyed or was being reconstructed by the owner,  
20 or was temporarily uninhabited as a result of restricted access to  
21 the property due to the extremely strong and damaging winds.

22 (r) Any dwelling that qualified for an exemption under this  
23 section prior to the commencement dates of the wildfires listed in  
24 the Governor’s disaster proclamations of May, June, or July 2008,  
25 that was damaged or destroyed by the wildfires and any other  
26 related casualty that occurred in the Counties of Butte, Kern,  
27 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,  
28 Shasta, and Trinity and that has not changed ownership since the  
29 commencement dates of these disasters as listed in the  
30 proclamations shall not be disqualified as a “dwelling” or be denied  
31 an exemption under this section solely on the basis that the  
32 dwelling was temporarily damaged or destroyed or was being  
33 reconstructed by the owner, or was temporarily uninhabited as a  
34 result of restricted access to the property due to the wildfires.

35 (s) Any dwelling that qualified for an exemption under this  
36 section prior to July 1, 2008, that was damaged or destroyed by  
37 the wildfires and any other related casualty that occurred as a result  
38 of this disaster in the County of Santa Barbara, as declared by the  
39 Governor in July 2008, and that has not changed ownership since  
40 July 1, 2008, may not be denied an exemption solely on the basis

1 that the dwelling was temporarily damaged or destroyed or was  
2 being reconstructed by the owner, or was temporarily uninhabited  
3 as a result of restricted access to the property due to the wildfires.

4 (t) Any dwelling that qualified for an exemption under this  
5 section prior to July 12, 2008, that was damaged or destroyed by  
6 severe rainstorms, floods, landslides, or the accumulation of debris  
7 in a disaster, as declared by the Governor, in July 2008, and that  
8 has not changed ownership since July 12, 2008, shall not be  
9 disqualified as a “dwelling” or be denied an exemption under this  
10 section solely on the basis that the dwelling was temporarily  
11 damaged or destroyed or was being reconstructed by the owner,  
12 or was temporarily uninhabited as a result of restricted access to  
13 the property due to floods, landslides, the accumulation of debris,  
14 or washed-out or damaged roads.

15 (u) Any dwelling that qualified for an exemption under this  
16 section prior to May 22, 2008, that was damaged or destroyed by  
17 the wildfires and any other related casualty that occurred as a result  
18 of this disaster in the County of Humboldt, as declared by the  
19 Governor in August 2008, and that has not changed ownership  
20 since May 22, 2008, may not be denied an exemption solely on  
21 the basis that the dwelling was temporarily damaged or destroyed  
22 or was being reconstructed by the owner, or was temporarily  
23 uninhabited as a result of restricted access to the property due to  
24 the wildfires.

25 (v) Any dwelling that qualified for an exemption under this  
26 section prior to the commencement dates of the wildfires that were  
27 the subject of the Governor’s disaster proclamations of October  
28 13, 2008, and November 15, 2008, that was damaged or destroyed  
29 by the wildfires and any other related casualty that occurred in the  
30 Counties of Los Angeles and Ventura and that has not changed  
31 ownership since the commencement dates of these wildfires, shall  
32 not be disqualified as a “dwelling” or be denied an exemption  
33 under this section solely on the basis that the dwelling was  
34 temporarily damaged or destroyed or was being reconstructed by  
35 the owner, or was temporarily uninhabited as a result of restricted  
36 access to the property due to the wildfires.

37 (w) Any dwelling that qualified for an exemption under this  
38 section prior to November 13, 2008, that was damaged or destroyed  
39 by the wildfires and any other related casualty that occurred as a  
40 result of this disaster in the County of Santa Barbara, as declared

1 by the Governor in November 2008, and that has not changed  
2 ownership since November 13, 2008, shall not be disqualified as  
3 a “dwelling” or be denied an exemption under this section solely  
4 on the basis that the dwelling was temporarily damaged or  
5 destroyed or was being reconstructed by the owner, or was  
6 temporarily uninhabited as a result of restricted access to the  
7 property due to the wildfires.

8 (x) Any dwelling that qualified for an exemption under this  
9 section prior to the commencement dates of the wildfires listed in  
10 the Governor’s disaster proclamations of November 15, 2008, and  
11 November 17, 2008, that was damaged or destroyed by the  
12 wildfires and any other related casualty that occurred as a result  
13 of this disaster in the Counties of Orange, Riverside, and San  
14 Bernardino, as declared by the Governor in November 2008, and  
15 that has not changed ownership since the commencement dates of  
16 these disasters as listed in the proclamations, shall not be  
17 disqualified as a “dwelling” or be denied an exemption under this  
18 section solely on the basis that the dwelling was temporarily  
19 damaged or destroyed or was being reconstructed by the owner,  
20 or was temporarily uninhabited as a result of restricted access to  
21 the property due to the wildfires.

22 (y) Any dwelling that qualified for an exemption under this  
23 section prior to May 5, 2009, that was damaged or destroyed by  
24 the wildfires and any other related casualty that occurred as a result  
25 of this disaster in the County of Santa Barbara, as declared by the  
26 Governor in May 2009, and that has not changed ownership since  
27 May 5, 2009, shall not be disqualified as a “dwelling” or be denied  
28 an exemption under this section solely on the basis that the  
29 dwelling was temporarily damaged or destroyed or was being  
30 reconstructed by the owner, or was temporarily uninhabited as a  
31 result of restricted access to the property due to the wildfires.

32 (z) Any dwelling that qualified for an exemption under this  
33 section prior to August 30, 2009, that was damaged or destroyed  
34 by the wildfires and any other related casualty that occurred as a  
35 result of this disaster in the County of Placer, as declared by the  
36 Governor in August 2009, and that has not changed ownership  
37 since August 30, 2009, shall not be disqualified as a “dwelling”  
38 or be denied an exemption under this section solely on the basis  
39 that the dwelling was temporarily damaged or destroyed or was

1 being reconstructed by the owner, or was temporarily uninhabited  
2 as a result of restricted access to the property due to the wildfires.

3 (aa) The exemption provided for in subdivision (k) of Section  
4 3 of Article XIII of the California Constitution shall first be applied  
5 to the building, structure, or other shelter and the excess, if any,  
6 shall be applied to any land on which it may be located.

7 ~~SEC. 6.~~

8 *SEC. 5.* Section 17207 of the Revenue and Taxation Code is  
9 amended to read:

10 17207. (a) An excess disaster loss, as defined in subdivision  
11 (c), shall be carried to other taxable years as provided in  
12 subdivision (b), with respect to losses resulting from any of the  
13 following disasters:

14 (1) Forest fire or any other related casualty occurring in 1985  
15 in California.

16 (2) Storm, flooding, or any other related casualty occurring in  
17 1986 in California.

18 (3) Any loss sustained during 1987 as a result of a forest fire or  
19 any other related casualty.

20 (4) Earthquake, aftershock, or any other related casualty  
21 occurring in 1987 in California.

22 (5) Earthquake, aftershock, or any other related casualty  
23 occurring in 1989 in California.

24 (6) Any loss sustained during 1990 as a result of fire or any  
25 other related casualty in California.

26 (7) Any loss sustained as a result of the Oakland/Berkeley Fire  
27 of 1991, or any other related casualty.

28 (8) Any loss sustained as a result of storm, flooding, or any  
29 other related casualty occurring in February 1992 in California.

30 (9) Earthquake, aftershock, or any other related casualty  
31 occurring in April 1992 in the County of Humboldt.

32 (10) Riots, arson, or any other related casualty occurring in  
33 April or May 1992 in California.

34 (11) Any loss sustained as a result of the earthquakes that  
35 occurred in the County of San Bernardino in June and July of 1992,  
36 or any other related casualty.

37 (12) Any loss sustained as a result of the Fountain Fire that  
38 occurred in the County of Shasta, or as a result of either of the  
39 fires in the Counties of Calaveras and Trinity that occurred in  
40 August 1992, or any other related casualty.

1 (13) Any loss sustained as a result of storm, flooding, or any  
2 other related casualty that occurred in the Counties of Alpine,  
3 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,  
4 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,  
5 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,  
6 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of  
7 Fillmore in January 1993.

8 (14) Any loss sustained as a result of a fire that occurred in the  
9 Counties of Los Angeles, Orange, Riverside, San Bernardino, San  
10 Diego, and Ventura, during October or November of 1993, or any  
11 other related casualty.

12 (15) Any loss sustained as a result of the earthquake, aftershocks,  
13 or any other related casualty that occurred in the Counties of Los  
14 Angeles, Orange, and Ventura on or after January 17, 1994.

15 (16) Any loss sustained as a result of a fire that occurred in the  
16 County of San Luis Obispo during August of 1994, or any other  
17 related casualty.

18 (17) Any loss sustained as a result of the storms or flooding  
19 occurring in 1995, or any other related casualty, sustained in any  
20 county of this state subject to a disaster declaration with respect  
21 to the storms and flooding.

22 (18) Any loss sustained as a result of the storms or flooding  
23 occurring in December 1996 or January 1997, or any related  
24 casualty, sustained in any county of this state subject to a disaster  
25 declaration with respect to the storms or flooding.

26 (19) Any loss sustained as a result of the storms or flooding  
27 occurring in February 1998, or any related casualty, sustained in  
28 any county of this state subject to a disaster declaration with respect  
29 to the storms or flooding.

30 (20) Any loss sustained as a result of a freeze occurring in the  
31 winter of 1998–99, or any related casualty, sustained in any county  
32 of this state subject to a disaster declaration with respect to the  
33 freeze.

34 (21) Any loss sustained as a result of an earthquake occurring  
35 in September 2000, that was included in the Governor's  
36 proclamation of a state of emergency for the County of Napa.

37 (22) Any loss sustained as a result of the Middle River levee  
38 break in San Joaquin County occurring in June 2004.

39 (23) Any losses sustained as a result of the fires that occurred  
40 in the Counties of Los Angeles, Riverside, San Bernardino, San

1 Diego, and Ventura in October and November 2003, or as a result  
2 of floods, mudflows, and debris flows, directly related to fires.

3 (24) Any losses sustained in the Counties of Santa Barbara and  
4 San Luis Obispo as a result of the San Simeon earthquake,  
5 aftershocks, and any other related casualties.

6 (25) Any losses sustained as a result of the wildfires that  
7 occurred in Shasta County, commencing August 11, 2004, and  
8 any other related casualty.

9 (26) Any loss sustained in the Counties of Kern, Los Angeles,  
10 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,  
11 and Ventura as a result of the severe rainstorms, related flooding  
12 and slides, and any other related casualties, that occurred in  
13 December 2004, January 2005, February 2005, March 2005, or  
14 June 2005.

15 (27) Any loss sustained in the Counties of Alameda, Alpine,  
16 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El  
17 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,  
18 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,  
19 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,  
20 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,  
21 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of  
22 the severe rainstorms, related flooding and slides, and any other  
23 related casualties, that occurred in December 2005, January 2006,  
24 March 2006, or April 2006.

25 (28) Any loss sustained in the County of San Bernardino as a  
26 result of the wildfires that occurred in July 2006.

27 (29) Any loss sustained in the Counties of Riverside and Ventura  
28 as a result of wildfires that occurred during the 2006 calendar year.

29 (30) Any loss sustained in the Counties of El Dorado, Fresno,  
30 Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San  
31 Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa  
32 Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject  
33 of the Governor's proclamations of a state of emergency for the  
34 severe freezing conditions that occurred in January 2007.

35 (31) Any loss sustained in the County of El Dorado as a result  
36 of wildfires that occurred in June 2007.

37 (32) Any loss sustained in the Counties of Santa Barbara and  
38 Ventura as a result of the Zaca Fire that occurred during the 2007  
39 calendar year.



1 (33) Any loss sustained in the County of Inyo as a result of  
2 wildfires that commenced in July 2007.

3 (34) Any loss sustained in the Counties of Los Angeles, Orange,  
4 Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura  
5 as a result of wildfires that occurred during the 2007 calendar year  
6 that were the subject of the Governor's disaster proclamations of  
7 September 15, 2007, and October 21, 2007.

8 (35) Any loss sustained in the County of Riverside as a result  
9 of extremely strong and damaging winds that occurred in October  
10 2007.

11 (36) Any loss sustained in the Counties of Butte, Kern,  
12 Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz,  
13 Shasta, and Trinity as a result of wildfires that occurred in May or  
14 June 2008 that were the subject of the Governor's proclamations  
15 of a state of emergency.

16 (37) Any loss sustained in the County of Santa Barbara as a  
17 result of wildfires that occurred in July 2008.

18 (38) Any loss sustained in the County of Inyo as a result of the  
19 severe rainstorms, related flooding and landslides, and any other  
20 related casualties, that occurred in July 2008.

21 (39) Any loss sustained in the County of Humboldt as a result  
22 of wildfires that commenced in May 2008.

23 (40) Any loss sustained in the County of Santa Barbara as a  
24 result of wildfires that commenced in November 2008.

25 (41) Any loss sustained in the Counties of Los Angeles and  
26 Ventura as a result of wildfires that commenced in October 2008  
27 or November 2008 that were the subject of the Governor's  
28 proclamations of a state of emergency.

29 (42) Any loss sustained in the Counties of Orange, Riverside,  
30 and San Bernardino as a result of wildfires that commenced in  
31 November 2008.

32 (43) Any loss sustained in the County of Santa Barbara as a  
33 result of wildfires that commenced in May 2009.

34 (44) Any loss sustained in the County of Placer as a result of  
35 wildfires that commenced in August 2009.

36 (b) (1) In the case of any loss allowed under Section 165(c) of  
37 the Internal Revenue Code, relating to limitation of losses of  
38 individuals, any excess disaster loss shall be carried forward to  
39 each of the five taxable years following the taxable year for which  
40 the loss is claimed. However, if there is any excess disaster loss

1 remaining after the five-year period, then the applicable percentage,  
2 as set forth in paragraph (1) of subdivision (b) of Section 17276,  
3 of that excess disaster loss shall be carried forward to each of the  
4 next 10 taxable years.

5 (2) The entire amount of any excess disaster loss as defined in  
6 subdivision (c) shall be carried to the earliest of the taxable years  
7 to which, by reason of subdivision (b), the loss may be carried.  
8 The portion of the loss which shall be carried to each of the other  
9 taxable years shall be the excess, if any, of the amount of excess  
10 disaster loss over the sum of the adjusted taxable income for each  
11 of the prior taxable years to which that excess disaster loss is  
12 carried.

13 (c) "Excess disaster loss" means a disaster loss computed  
14 pursuant to Section 165 of the Internal Revenue Code which  
15 exceeds the adjusted taxable income of the year of loss or, if the  
16 election under Section 165(i) of the Internal Revenue Code is  
17 made, the adjusted taxable income of the year preceding the loss.

18 (d) The provisions of this section and Section 165(i) of the  
19 Internal Revenue Code shall be applicable to any of the losses  
20 listed in subdivision (a) sustained in any county or city in this state  
21 which was proclaimed by the Governor to be in a state of disaster.

22 (e) Losses allowable under this section may not be taken into  
23 account in computing a net operating loss deduction under Section  
24 172 of the Internal Revenue Code.

25 (f) For purposes of this section, "adjusted taxable income" shall  
26 be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

27 (g) For losses described in paragraphs (15) to (44), inclusive,  
28 of subdivision (a), the election under Section 165(i) of the Internal  
29 Revenue Code may be made on a return or amended return filed  
30 on or before the due date of the return (determined with regard to  
31 extension) for the taxable year in which the disaster occurred.

32 ~~SEC. 7.~~

33 *SEC. 6.* Section 24347.5 of the Revenue and Taxation Code is  
34 amended to read:

35 24347.5. (a) An excess disaster loss, as defined in subdivision  
36 (c), shall be carried to other taxable years as provided in  
37 subdivision (b), with respect to losses resulting from any of the  
38 following disasters:

39 (1) Forest fire or any other related casualty occurring in 1985  
40 in California.

1 (2) Storm, flooding, or any other related casualty occurring in  
2 1986 in California.

3 (3) Any loss sustained during 1987 as a result of a forest fire or  
4 any other related casualty.

5 (4) Earthquake, aftershock, or any other related casualty  
6 occurring in October 1987 in California.

7 (5) Earthquake, aftershock, or any other related casualty  
8 occurring in October 1989 in California.

9 (6) Any loss sustained during 1990 as a result of fire or any  
10 other related casualty in California.

11 (7) Any loss sustained as a result of the Oakland/Berkeley Fire  
12 of 1991, or any other related casualty.

13 (8) Any loss sustained as a result of storm, flooding, or any  
14 other related casualty occurring in February 1992 in California.

15 (9) Earthquake, aftershock, or any other related casualty  
16 occurring in April 1992 in the County of Humboldt.

17 (10) Riots, arson, or any other related casualty occurring in  
18 April or May 1992 in California.

19 (11) Any loss sustained as a result of the earthquakes or any  
20 other related casualty that occurred in the County of San  
21 Bernardino in June and July of 1992.

22 (12) Any loss sustained as a result of the Fountain Fire that  
23 occurred in the County of Shasta, or as a result of either of the  
24 fires in the Counties of Calaveras and Trinity that occurred in  
25 August 1992, or any other related casualty.

26 (13) Any loss sustained as a result of storm, flooding, or any  
27 other related casualty that occurred in the Counties of Alpine,  
28 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,  
29 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,  
30 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,  
31 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of  
32 Fillmore in January 1993.

33 (14) Any loss sustained as a result of a fire that occurred in the  
34 Counties of Los Angeles, Orange, Riverside, San Bernardino, San  
35 Diego, and Ventura, during October or November of 1993, or any  
36 other related casualty.

37 (15) Any loss sustained as a result of the earthquake, aftershocks,  
38 or any other related casualty that occurred in the Counties of Los  
39 Angeles, Orange, and Ventura on or after January 17, 1994.

1 (16) Any loss sustained as a result of a fire that occurred in the  
2 County of San Luis Obispo during August of 1994, or any other  
3 related casualty.

4 (17) Any loss sustained as a result of the storms or flooding  
5 occurring in 1995, or any other related casualty, sustained in any  
6 county of this state subject to a disaster declaration with respect  
7 to the storms and flooding.

8 (18) Any loss sustained as a result of the storms or flooding  
9 occurring in December 1996 or January 1997, or any related  
10 casualty, sustained in any county of this state subject to a disaster  
11 declaration with respect to the storms or flooding.

12 (19) Any loss sustained as a result of the storms or flooding  
13 occurring in February 1998, or any related casualty, sustained in  
14 any county of this state subject to a disaster declaration with respect  
15 to the storms or flooding.

16 (20) Any loss sustained as a result of a freeze occurring in the  
17 winter of 1998–99, or any related casualty, sustained in any county  
18 of this state subject to a disaster declaration with respect to the  
19 freeze.

20 (21) Any loss sustained as a result of an earthquake occurring  
21 in September 2000, that was included in the Governor's  
22 proclamation of a state of emergency for the County of Napa.

23 (22) Any loss sustained as a result of the Middle River levee  
24 break in San Joaquin County occurring in June 2004.

25 (23) Any losses sustained as a result of the fires that occurred  
26 in the Counties of Los Angeles, Riverside, San Bernardino, San  
27 Diego, and Ventura in October and November 2003, or as a result  
28 of floods, mudflows, and debris flows, directly related to fires.

29 (24) Any losses sustained in the Counties of Santa Barbara and  
30 San Luis Obispo as a result of the San Simeon earthquake,  
31 aftershocks, and any other related casualties.

32 (25) Any losses sustained as a result of the wildfires that  
33 occurred in Shasta County, commencing August 11, 2004, and  
34 any other related casualty.

35 (26) Any loss sustained in the Counties of Kern, Los Angeles,  
36 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,  
37 and Ventura as a result of the severe rainstorms, related flooding  
38 and slides, and any other related casualties, that occurred in  
39 December 2004, January 2005, February 2005, March 2005, or  
40 June 2005.

(27) Any loss sustained in the Counties of Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of the severe rainstorms, related flooding and slides, and any other related casualties, that occurred in December 2005, January 2006, March 2006, or April 2006.

(28) Any loss sustained in the County of San Bernardino as a result of the wildfires that occurred in July 2006.

(29) Any loss sustained in the Counties of Riverside and Ventura as a result of wildfires that occurred during the 2006 calendar year.

(30) Any loss sustained in the Counties of El Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject of the Governor's proclamations of a state of emergency for the severe freezing conditions that occurred in January 2007.

(31) Any loss sustained in the County of El Dorado as a result of wildfires that occurred in June 2007.

(32) Any loss sustained in the Counties of Santa Barbara and Ventura as a result of the Zaca Fire that occurred during the 2007 calendar year.

(33) Any loss sustained in the County of Inyo as a result of wildfires that commenced in July 2007.

(34) Any loss sustained in the Counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura as a result of wildfires that occurred during the 2007 calendar year that were the subject of the Governor's disaster proclamations of September 15, 2007, and October 21, 2007.

(35) Any loss sustained in the County of Riverside as a result of extremely strong and damaging winds that occurred in October 2007.

(36) Any loss sustained in the Counties of Butte, Kern, Mariposa, Mendocino, Monterey, Plumas, Santa Clara, Santa Cruz, Shasta, and Trinity as a result of wildfires that occurred in May or June 2008 that were the subject of the Governor's proclamations of a state of emergency.

1 (37) Any loss sustained in the County of Santa Barbara as a  
2 result of wildfires that occurred in July 2008.

3 (38) Any loss sustained in the County of Inyo as a result of the  
4 severe rainstorms, related flooding and landslides, and any other  
5 related casualties, that occurred in July 2008.

6 (39) Any loss sustained in the County of Humboldt as a result  
7 of wildfires that commenced in May 2008.

8 (40) Any loss sustained in the County of Santa Barbara as a  
9 result of wildfires that commenced in November 2008.

10 (41) Any loss sustained in the Counties of Los Angeles and  
11 Ventura as a result of wildfires that commenced in October 2008  
12 or November 2008 that were the subject of the Governor's  
13 proclamations of a state of emergency.

14 (42) Any loss sustained in the Counties of Orange, Riverside,  
15 and San Bernardino as a result of wildfires that commenced in  
16 November 2008.

17 (43) Any loss sustained in the County of Santa Barbara as a  
18 result of wildfires that commenced in May 2009.

19 (44) Any loss sustained in the County of Placer as a result of  
20 wildfires that commenced in August 2009.

21 (b) (1) In the case of any loss allowed under Section 165 of the  
22 Internal Revenue Code, relating to losses, any excess disaster loss  
23 shall be carried forward to each of the five taxable years following  
24 the taxable year for which the loss is claimed. However, if there  
25 is any excess disaster loss remaining after the five-year period,  
26 then the applicable percentage, as set forth in paragraph (1) of  
27 subdivision (b) of Section 24416, of that excess disaster loss shall  
28 be carried forward to each of the next 10 taxable years.

29 (2) The entire amount of any excess disaster loss as defined in  
30 subdivision (c) shall be carried to the earliest of the taxable years  
31 to which, by reason of subdivision (b), the loss may be carried.  
32 The portion of the loss which shall be carried to each of the other  
33 taxable years shall be the excess, if any, of the amount of excess  
34 disaster loss over the sum of the net income for each of the prior  
35 taxable years to which that excess disaster loss is carried.

36 (c) "Excess disaster loss" means a disaster loss computed  
37 pursuant to Section 165 of the Internal Revenue Code, which  
38 exceeds the net income of the year of loss or, if the election under  
39 Section 165(i) of the Internal Revenue Code is made, the net  
40 income of the year preceding the loss.

1 (d) The provisions of this section and Section 165(i) of the  
2 Internal Revenue Code shall be applicable to any of the losses  
3 listed in subdivision (a) sustained in any county or city in this state  
4 which was proclaimed by the Governor to be in a state of disaster.

5 (e) Any corporation subject to the provisions of Section 25101  
6 or 25101.15 that has disaster losses pursuant to this section, shall  
7 determine the excess disaster loss to be carried to other taxable  
8 years under the principles specified in Section 25108 relating to  
9 net operating losses.

10 (f) Losses allowable under this section may not be taken into  
11 account in computing a net operating loss deduction under Section  
12 172 of the Internal Revenue Code.

13 (g) For losses described in paragraphs (15) to (44), inclusive,  
14 of subdivision (a), the election under Section 165(i) of the Internal  
15 Revenue Code may be made on a return or amended return filed  
16 on or before the due date of the return (determined with regard to  
17 extension) for the taxable year in which the disaster occurred.

18 ~~SEC. 8.~~

19 *SEC. 7.* It is the intent of the Legislature to provide in the  
20 annual Budget Act those additional reimbursements to local  
21 governments that, as a result of Section 5 of this act are required  
22 by Section 25 of Article XIII of the California Constitution.

23 ~~SEC. 9.~~

24 *SEC. 8.* The Legislature finds and declares that this act fulfills  
25 a statewide public purpose because of the following:

26 (a) The Governor of California has officially proclaimed a state  
27 of emergency declaring that the wildfires that occurred within the  
28 County of Placer, commencing August 2009, constitute conditions  
29 of extreme peril to public health and safety to persons and property  
30 within that county, thus qualifying affected persons for various  
31 forms of governmental assistance and relief.

32 (b) This act is consistent with, and supplements, the proclaimed  
33 disaster assistance and relief by providing necessary fiscal  
34 assistance and tax relief to affected jurisdictions and persons to  
35 allow them to maintain essential basic services and repair damage  
36 to, and restore, their homes and businesses.

37 ~~SEC. 10.~~

38 *SEC. 9.* If the Commission on State Mandates determines that  
39 this act contains costs mandated by the state, reimbursement to  
40 local agencies and school districts for those costs shall be made

1 pursuant to Part 7 (commencing with Section 17500) of Division  
2 4 of Title 2 of the Government Code.

3 ~~SEC. 11.~~

4 *SEC. 10.* This act is an urgency statute necessary for the  
5 immediate preservation of the public peace, health, or safety within  
6 the meaning of Article IV of the Constitution and shall go into  
7 immediate effect. The facts constituting the necessity are:

8 In order to timely provide essential relief to persons and  
9 jurisdictions who have suffered damage or loss as a result of the  
10 wildfires that occurred within the state in 2009, that were the  
11 subject of the Governor's proclamation of a state of emergency,  
12 it is necessary that this act take effect immediately.